

107TH CONGRESS  
2D SESSION

# H. R. 4153

To amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to carry out a demonstration program under the Medicare Program to examine the clinical and cost effectiveness of providing medical adult day care center services to Medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2002

Mr. LEWIS of Kentucky introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to carry out a demonstration program under the Medicare Program to examine the clinical and cost effectiveness of providing medical adult day care center services to Medicare beneficiaries.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. MEDICARE MEDICAL ADULT DAY CARE SERV-**  
2 **ICES DEMONSTRATION PROGRAM.**

3 Title XVIII of the Social Security Act (42 U.S.C.  
4 1395 et seq.) is amended by inserting after section 1895  
5 the following new section:

6 “MEDICAL ADULT DAY CARE SERVICES DEMONSTRATION  
7 PROGRAM

8 “SEC. 1895A. (a) ESTABLISHMENT.—Subject to the  
9 succeeding provisions of this section, the Secretary shall  
10 establish a demonstration program under which the Sec-  
11 retary shall reimburse a qualified provider of services for  
12 medical adult day care services furnished as part of a plan  
13 of care for home health services established for a medicare  
14 beneficiary if elected by the beneficiary. Requirements ap-  
15 plicable to eligibility for receipt of home health services  
16 shall apply for medical adult day care services, including  
17 requirements for the beneficiary to be homebound.

18 “(b) DEMONSTRATION PROJECT SITES.—The pro-  
19 gram established under this section shall be conducted in  
20 States selected by the Secretary that license or certify pro-  
21 viders of services that furnish medical adult day care serv-  
22 ices, and shall be conducted in no more than 5 such  
23 States. Of the States selected by the Secretary, one shall  
24 include a State that has, as a percentage of its resident  
25 population, the 1 of the 5 highest percentages of medicare  
26 beneficiaries residing in the State.

1       “(c) DURATION.—The Secretary shall conduct the  
2 demonstration program for a period of 4 and one half  
3 years.

4       “(d) VOLUNTARY PARTICIPATION.—Participation of  
5 medicare beneficiaries in the demonstration program shall  
6 be voluntary. The total number of such beneficiaries that  
7 may participate in the project at any given time may not  
8 exceed 15,000. Medicare beneficiaries with a secondary di-  
9 agnosis or comorbidity of Alzheimer’s or Parkinson’s dis-  
10 ease shall be given preference in determining who may  
11 participate in the demonstration project.

12       “(e) PAYMENT.—Payment to qualified providers of  
13 services for medical adult day care services furnished  
14 under the demonstration project shall be equal to 95 per-  
15 cent of the rate that would otherwise apply under section  
16 1895 for home health services furnished.

17       “(f) PROVISIONS RELATING TO PROVIDERS.—

18               “(1) LIMITATION ON NUMBER OF PROVIDERS  
19 AND SERVICE AREAS.—Not more than 25 qualified  
20 providers of services may furnish medical adult day  
21 care services under the demonstration project, and  
22 not more than 17 such providers may have as its  
23 primary service area an urban area. Qualified pro-  
24 viders of services that are under common ownership  
25 or control of an organization that furnish medical

1 adult day care services under the project shall all be  
2 treated, for purposes of the limitation of this para-  
3 graph, as a single qualified provider of services.

4 “(2) PREFERENCE TO CERTAIN CLASSES OF  
5 PROVIDERS.—In selecting qualified providers of serv-  
6 ices to furnish medical adult day care services under  
7 the demonstration program, the Secretary shall give  
8 preference to those providers that are home health  
9 agencies, as defined in section 1861(o), under com-  
10 mon ownership or control of an organization that  
11 proposes to furnish medical adult day care services  
12 in a service area that encompasses more than one  
13 State.

14 “(g) EVALUATION AND REPORT.—The Secretary  
15 shall conduct an evaluation of the clinical and cost effec-  
16 tiveness of the demonstration program under this section.  
17 Not later 3 years after the commencement of the program,  
18 the Secretary shall submit to Congress a report on the  
19 evaluation, and shall include in the report the following:

20 “(1) An analysis of the patient outcomes and  
21 costs of furnishing care to the medicare beneficiaries  
22 participating in the program as compared to such  
23 outcomes and costs to beneficiaries receiving only  
24 home health services for the same health conditions.

1           “(2) Such recommendations regarding the ex-  
2           tension, expansion, or termination of the program as  
3           the Secretary determines appropriate.

4   In conducting the evaluation and analysis under this sub-  
5   section, the Secretary shall utilize data collected through  
6   the OASIS system referred to in subsection (e), and may  
7   collect such supplemental data from qualified providers of  
8   services participating in the demonstration program as the  
9   Secretary determines appropriate.

10       “(h) DEFINITIONS.—In this section:

11           “(1) QUALIFIED PROVIDER OF SERVICES.—The  
12           term ‘qualified provider of services’ means, with re-  
13           spect to the furnishing of medical adult day care  
14           services—

15               “(A) a public agency or private organiza-  
16               tion, or a subdivision of such an agency or or-  
17               ganization, that—

18                   “(i) is engaged in providing skilled  
19                   nursing services and other therapeutic  
20                   services directly or under arrangement  
21                   with a home health agency;

22                   “(ii) meets such standards established  
23                   by the Secretary to assure quality of care  
24                   and such other requirements as the Sec-  
25                   retary finds necessary in the interest of the

1 health and safety of individuals who are  
2 furnished services in the facility;

3 “(iii) provides the medical adult day  
4 care services described in paragraph  
5 (2)(B);

6 “(iv) meets the requirements of para-  
7 graphs (2) through (8) of section 1861(o),  
8 but the Secretary may waive the require-  
9 ment for a surety bond under paragraph  
10 (7) of such section in the same manner as  
11 is provided under such section; and

12 “(v) has been licensed or certified by  
13 a State to furnish medical adult day care  
14 services in the State for a continuous pe-  
15 riod of not less than 24 months; or

16 “(B) a home health agency (as defined in  
17 section 1861(o)), either directly or under ar-  
18 rangements with an agency or organization de-  
19 scribed in subparagraph (A) that has been li-  
20 censed or certified by a State to furnish home  
21 health services in the State for a continuous pe-  
22 riod of not less than 24 months.

23 “(2) MEDICAL ADULT DAY CARE SERVICES.—

24 “(A) IN GENERAL.—The term ‘medical  
25 adult day care services’ means the items and

1 services described in subparagraph (B) that are  
2 furnished to a medicare beneficiary by a quali-  
3 fied provider of services as a part of a plan  
4 under section 1861(m) that describes the home  
5 health service items and services that are to be  
6 furnished in the individual's residence and the  
7 medical adult day care items and services de-  
8 scribed in subparagraph (B) that are furnished  
9 by the qualified provider of services in a med-  
10 ical adult day care setting, as determined by  
11 the physician establishing the plan pursuant to  
12 a comprehensive patient assessment conducted  
13 by the qualified provider of services and ap-  
14 proved by the physician.

15 “(B) ITEMS DESCRIBED.—The items and  
16 services described in this subparagraph are the  
17 following:

18 “(i) Home health service items and  
19 services described in paragraphs (1)  
20 through (7) of section 1861(m).

21 “(ii) Transportation of the individual  
22 to and from the qualified provider of serv-  
23 ices in connection with any such item or  
24 service.

25 “(iii) Meals.

1                   “(iv) A program of supervised activi-  
2                   ties (that meets such criteria as the Sec-  
3                   retary determines appropriate) designed to  
4                   promote physical and mental health that  
5                   are furnished to the individual by the  
6                   qualified provider of services in a group  
7                   setting.

8                   “(3) MEDICARE BENEFICIARY.—The term  
9                   ‘medicare beneficiary’ means an individual entitled  
10                  to benefits under part A of this title, enrolled under  
11                  part B of this title, or both.”.

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